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Technical Study 31
THE LABOUR FORCE
POSITION OF OLDER WORKERS
Frank Sampson
July 1981

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TECHNICAL STUDIES SERIES



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This is one in a series of technical studies prepared for the Task Force on Labour Market Development. The opinions expressed are those of the author and do not necessarily reflect those of the Task Force. They do not reflect the views of the Government of Canada.

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ABSTRACT

THE LABOUR FORCE POSITION OF OLDER WORKERS

Frank K. C. Sampson

This paper analyses the labour force position of older workers in terms of three key policy issues. First, because of their mediating influence between population pressures and labour force growth, the implications of current and projected trends in labour force participation are examined. Current trends indicate a continuing decline in the participation of the older segment of the working age population. The significance of these trends for employment development strategies is examined in the light of several factors: inadequacies of pension and other income support schemes, longer life and increased competence at later stages in the life cycle and exacerbation of critical skill shortages through loss of trained manpower that may fuel demands for continued labour force attachment of a different level and type during the post-retirement period.

The second issue focusses on the quantitative and qualitative importance of unemployment among older workers and its possible policy implications. While older workers generally account for a much smaller proportion of the unemployed than of the total labour force, certain aspects of older-worker unemployment such as its duration and time of occurrence in the life cycle may engender greater economic and social hardship for this group. Consequently, special measures of affirmative action in universal programs and specific programming targetted to this segment of the labour force may be required.

The third issue, recruitment to employment, examines the network of constraints faced by older workers in order to estimate its significance for labour force participation and

for unemployment duration. The study looks into the calibre of problems older workers face with respect to actual and perceived employability, seniority, compensation and pension arrangements, as well as attitudes to, familiarity with and performance in the recruitment process.

Demand and supply considerations are necessarily interwoven in the above discussions with a view to providing a balanced analysis of the issues and a more holistic assessment of the labour force position of older workers. In these discussions, the concept of older worker identifies persons 45 years of age and older who are active participants in the Canadian labour force. This specification is used in recognition of the fact that employment problems associated with chronological age begin to occur once this "watershed" is passed.

Comparisons with other age groups in the population reveal a segment characterized by:

- a) high employment stability stemming from infrequent job turnover;
- b) low unemployment rates but a greater tendency to long-term unemployment and worker discouragement and labour force withdrawal once unemployed;
- c) low geographic and occupational mobility;
- d) heavy concentration in slow-growth or declining sectors and occupational areas;
- e) lower rate of retraining;
- f) declining rates of labour force participation despite an anticipated increase in its share of the working population by the year 2001.

In assessing the economic implications of the labour force position of older workers, particular reference is made to high-skill occupational areas in view of their significance to growth in the construction, manufacturing and energy sectors and indirectly to the growth rate in the gross domestic product.

In the period to 1985 there will be a strong demand for workers in high-skill occupations in industrial trades including manufacturing, construction and tool and die making. This anticipated strong demand may be exacerbated by changing patterns of labour force participation among older workers. Recent studies of high-skill workers in the construction, manufacturing and tool and die industries in Ontario indicate that future critical shortages are tied in part to marked aging of this work force. The estimated mean age in most manufacturing firms surveyed was 40-44 years and a significant majority had immigrated to Canada in the post-war period. The high-skill construction workers and tool and die workers (80 per cent of the latter are in Ontario) are predominantly Canadian-born. Firms with the greatest reliance on Canadian-trained journeymen tended to have the youngest work forces and were more common in Alberta, where in 80 per cent of the firms workers under 25 constituted at least one fifth of the work force compared to 30 per cent of the Ontario firms.

Analysis of the tool and die trades in Ontario points in the same direction. Between 1931 and 1941 there was a large influx of young persons, mainly Canadian, into the occupation. In the past 30 years this work force has changed little in terms of numbers. Consequently, there has recently been a marked aging of the tool and die makers and growing labour force withdrawal.

These findings suggest that management of anticipated labour shortages in the next decade will require employment strategies that either slow the withdrawal of older workers from areas of highest productivity and growth in the economy or prevent the total loss of such vital skills and expertise by facilitating employment (on a part-time or alternative work arrangement basis) for retirees. The size of the labour pool that will be constituted by both active and retired older workers demands that the economy make more productive use of their considerable knowledge and experience to promote economic growth and better standards of living for all Canadians.

SOMMAIRE

LA SITUATION DES TRAVAILLEURS ÂGÉS AU SEIN DE LA POPULATION ACTIVE

Frank K.C. Sampson

Le document analyse la situation des travailleurs âgés au sein de la population active par rapport à trois questions clés liées à l'élaboration de politiques. Premièrement, en raison de leur effet de stabilisation entre les pressions démographiques et la croissance de la population active, les répercussions des tendances actuelles et prévues de l'activité de la population actives sont examinées. Les tendances actuelles laissent entrevoir un fléchissement continu du taux d'activité de la catégorie plus âgée de la population d'âge actif. L'importance de ces tendances pour les stratégies de stimulation de l'emploi est étudiée à la lumière de plusieurs facteurs: les lacunes des régimes de pensions et d'autres régimes de soutien du revenu, la longévité accrue, des compétences reconnues à des étapes plus avancées du cycle de vie, de même que l'aggravation des pénuries de main-d'oeuvre spécialisée par la perte de travailleurs chevronnés, ce qui pourrait attiser les pressions pour que les travailleurs puissent, après leur retraite, poursuivre une activité d'un niveau et d'un genre différents.

La deuxième question a trait à l'importance quantitative et qualitative du chômage chez les travailleurs âgés et de son incidence possible sur l'élaboration de politiques. Même si en général les travailleurs âgés représentent une proportion beaucoup plus petite des chômeurs que l'ensemble des actifs, certains aspects dont la durée du chômage des travailleurs âgés et le moment de leur vie où il se produit, peuvent entraîner pour eux des difficultés plus grandes sur les plans économique et social. Par conséquent, des mesures spéciales d'action positive liées à des programmes d'application universelle ou à des programmes s'adressant précisément à ce segment de la population active pourraient s'imposer.

Pour ce qui est de la troisième question, à savoir le recrutement, on examine le tissu de contraintes auxquelles se heurte le travailleur âgé afin d'en évaluer l'importance par rapport à l'activité de la population active et à la durée du chômage. L'étude tente de déterminer l'ampleur des problèmes auxquels les travailleurs âgés font face au chapitre de leur employabilité réelle et perçue, de l'ancienneté, de la rémunération et des régimes de pensions, de même qu'au chapitre du processus de recrutement en termes d'attitudes, de connaissances et de rendement.

Les considérations liées à l'offre et à la demande entre nécessairement en ligne de compte et sont examinées afin de permettre une analyse équilibrée des questions précitées et une évaluation plus globale de la situation des travailleurs âgés au sein de la population active. Pour les fins de notre propos, nous entendons par travailleurs âgés les personnes d'au moins 45 ans qui sont membres à part entière de la population active du Canada. Cette définition tient compte du fait que les problèmes d'emploi liés à l'âge commencent à se manifester une fois ce "cap" franchi.

A partir de comparaisons avec d'autres groupes d'âges de la population, on peut établir le profil suivant des travailleurs âgés:

- a) grande stabilité d'emploi découlant d'un roulement peu fréquent;
- b) un taux de chômage faible, mais une plus grande propension au chômage à long terme et au découragement, voir au retrait de la population active, une fois ces travailleurs en chômage;
- c) faible mobilité géographique et professionnelle;
- d) grande concentration des travailleurs dans les secteurs d'activité et les professions à faible croissance ou en perte de vitesse;

- e) taux de recyclage plus faible;
- f) fléchissement du taux d'activité, malgré l'augmentation prévue de la proportion de ces travailleurs au sein de la population active d'ici l'année 2001.

Dans l'évaluation des répercussions économiques de la situation des travailleurs âgés au sein de la population active, on s'attache particulièrement aux groupes de professions très spécialisées, compte tenu de leur importance pour la croissance des secteurs de la construction, de la fabrication et de l'énergie et, indirectement, pour le rythme de croissance du produit national brut.

D'ici 1985, il y aura une forte demande de travailleurs très spécialisés dans les métiers rattachés notamment aux domaines de la fabrication, de la construction et de l'outillage-ajustage. Cette demande pourrait être encore plus forte que prévue en raison d'une modification de la courbe de l'activité des travailleurs âgés. De récentes études sur les travailleurs très spécialisés des domaines de la construction, de la fabrication et de l'outillage-ajustage en Ontario montrent que les pénuries aigues que l'on prévoit, seront attribuables en partie au vieillissement de ce groupe de travailleurs. Nous avons estimé que l'âge moyen dans la plupart des entreprises de fabrication ayant fait l'objet de l'enquête était de 40 à 44 ans, la majorité de ces travailleurs ayant immigré au Canada au cours de la période d'après-guerre. Les travailleurs très spécialisés de la construction et les outilleurs-ajusteurs (80% de ces derniers sont en Ontario) sont majoritairement nés au Canada. Les entreprises qui emploient le plus grand nombre de compagnons formés au Canada tendent à avoir l'effectif le plus jeune et se retrouvent surtout en Alberta où, dans 80% des entreprises, les travailleurs de moins de 25 ans représentent le cinquième de l'effectif, contre 30% dans le cas des entreprises de l'Ontario.

Une analyse des métiers d'outilleurs-ajusteurs en Ontario fait ressortir les mêmes constatations. De 1931 à 1941, un nombre imposant de jeunes gens, surtout des canadiens, sont venus grossir les rangs de ces travailleurs. Au cours des 30 dernières années, le nombre de travailleurs exerçant ce métier n'a pas beaucoup changé. C'est dire que l'on a récemment constaté un vieillissement marqué des outilleurs-ajusteurs qui quittent en nombre croissant la population active.

Ces constatations supposent que pour faire face aux pénuries de main-d'oeuvre prévues pour la prochaine décennie, il faudra élaborer des stratégies d'emploi de nature à diminuer le nombre de travailleurs âgés qui se retirent des secteurs de l'économie où la productivité et la croissance sont les plus grandes ou à empêcher la perte totale de ces compétences et connaissances essentielles en facilitant l'emploi (à temps partiel ou selon un autre régime de travail) des personnes à leur retraite. La taille du bassin de main-d'oeuvre que constitueront les travailleurs âgés actifs et à la retraite exige que l'on utilise de façon plus productive leur bagage de connaissances et leur grande expérience pour promouvoir la croissance économique et l'élévation du niveau de vie de tous les Canadiens.

INTRODUCTION

This paper analyses the labour force position of older workers in terms of three key policy issues. First, because of their mediating influence between population pressures and labour force growth, the implications of current and projected trends in participation are examined. The fundamental issue here is whether current trends of declining labour force participation in the older segment of the working age population will have a special significance for employment development strategies insofar as the inadequacies of pension and other income support schemes, longer life and increased competence at later stages in the life cycle as well as further exacerbation of critical skill shortages through loss of trained manpower may fuel demands for continued labour force attachment of a different level and type during the post-retirement period.

The second issue focusses on the quantitative and qualitative importance of unemployment among older workers and its possible policy implications. What is of major concern is the fact that while older workers generally account for a much smaller proportion of the unemployed than of the total labour force, certain aspects of older worker unemployment such as its duration, time of occurrence in the life cycle and other qualitative differences may engender a different order of economic and social hardship for this group. From the viewpoint of employment development strategies, the latter development may require special measures of affirmative action in universal programs and specific programming targetted to this segment of the labour force.

The third issue, recruitment to employment, deals with the network of constraints faced by older workers in

comparison with prime age and young workers in order to estimate its significance for labour force participation and for unemployment duration. In this area, the study looks into the calibre of problems older workers face with respect to actual and perceived employability; seniority, compensation and pension arrangements; attitudes to, familiarity with and performance in recruitment mechanisms and related dimensions of the recruitment process.

Demand and supply considerations are necessarily interwoven in the above discussions with a view to providing a balanced analysis of the issues and a more holistic assessment of the labour force position of older workers. In these discussions, the concept of older worker identifies persons 45 years of age and older who are active participants of the Canadian labour force. This specification of the population is used in recognition of the fact that employment problems associated with chronological age begin to occur once this "watershed" is passed.

A. CHARACTERISTICS OF OLDER WORKERS

Between 1975 and 1979, older workers (45+) averaged 28 per cent of the Canadian labour force annually. Of these workers, about 90 per cent worked full time, 10 per cent part time. Most of the older workers in full-time jobs were male (72 per cent) while the opposite was true in the part-time labour market where men annually comprised, on average, only 21 per cent of all workers (Table 1).

In general, older workers differ from their younger colleagues in terms of educational attainment, occupational distribution, mobility etc. In exploring the data on these characteristics, it will be observed that for the most part the differences are a matter of degree and that it is their combination with extraneous factors such as company policies to prefer younger persons in recruiting for new jobs or in granting promotions that leads to the labour force difficulties of older workers.

Table 1

Persons aged 45 or more - Employment Volumes and Sex and Martial Status Ratios in Part-Time and Full-Time Employment

	Persons 45+ as % of Full-Timers	% of Full-Timers 45+ comprised by Men	Persons 45+ as % of Part- Timers	% of Part-Timers 45+ comprised by Men
1975	30.3	72.9	23.4	24.8
1976	30.0	72.0	23.7	15.2
1977	29.8	72.1	23.7	21.9
1978	29.3	71.0	24.1	22.0
1979	28.7	71.1	23.8	21.8
5-year average	29.6	71.8	23.7	21.1

Educational Attainment

The burgeoning increase in continuing education since the 1960s has helped to narrow the gap between older (45+) and younger (20-44) workers in terms of the median years of school completed. However, concurrent with this development, there has been an increased emphasis on higher levels of educational attainment in job recruitment, regardless of whether the levels are actually necessary in the performance of job-related tasks. This "credentialism" works to the disadvantage of older workers. As can be seen in Table 2, the rise in the percentage of college graduates among older workers since the 1960s has been more than matched by the marked increase in younger members of the labour force. Consequently, the gap between the proportion of older workers with college and university graduation and post-graduate work and the proportion of younger workers with that amount of education remains substantial. Furthermore, while official projections indicate that workers in 1990 and beyond will, on average, be better educated than their counterparts today, post-secondary schooling will still be decidedly more common among those workers who are 20-44 years of age than among those 45 and over.

Distribution by Occupation and Industry

The occupations in which older persons tend to be over-represented are those where the present impetus to and capacity for growth is least. Table 3 gives the proportions of persons 45 and over in occupational categories. Areas where their concentration exceeds their share of the labour force include religion (57.7%); agriculture (44.1%); services, mainly personal services (38.6%); sales (35.9%); fishing (35.4%) and other crafts (35.7%). Older workers also figure prominently in the managerial occupations, reflecting

the relatively large numbers of self-employed who often work beyond the conventional retirement age. Contained in this group would be certain professional services offices of physicians, therapists etc., legal services and personal services, e.g. barber shops, beauty shops, shoe repair shops.

Table 2
**Educational Attainment - Population Aged
 15 Years or More, Canada, 1961, 1976**

Level	Age group %					
	1976			1961 ¹		
	15-24	25-44	45+	15-24	25-44	45+
Grade 8 or less	7.2	19.1	53.8	34.7	39.6	58.5
Some Secondary School	47.7	28.6	13.1	41.1	34.0	23.5
Secondary School						
Graduation	16.4	11.5	7.5	20.5	18.8	12.0
Some Post Secondary	16.2	12.2	9.5	2.8	3.7	2.6
Post-Secondary/						
University	12.5	28.6	16.1	1.0	3.9	2.6
(Graduation Diploma, Certificate or Degree)						
Total	4,478,410	6,214,770	5,421,485	1,683,770	4,820,918	4,569,477

Source: Census of Canada, 1961 and 1976

¹ Categories for 1961 are approximations.

1971 Grade 8 or less = 1961 No Schooling, Elementary

Some Sec. School = Secondary 1-2, 3 yrs.

Sec. School Graduation = Secondary 4-5 yrs.

Some Post-Secondary = Some University

Post-Secondary/University = University
Graduation

Table 3

Proportional Share of Occupational Categories for
Component Age Groups, Canada 1971 Census

	Total	Age Group		
		15-24	- % -	45+
% of occupational category				
Managerial	370,965	12.1	41.3	46.6
Natural Science	234,185	22.1	56.4	21.5
Social Science	79,000	21.9	49.6	28.4
Religion	23,265	3.3	41.7	57.7
Teaching	349,625	20.9	58.0	21.3
Medicine/Health	326,440	27.0	46.5	26.6
Artistic/Recreation	80,430	28.7	46.4	24.9
Clerical	1,373,480	34.6	39.1	26.3
Sales	815,845	22.6	41.4	35.9
Service	884,490	27.2	34.2	38.6
Agriculture	512,105	24.3	31.5	44.1
Fishing	27,245	22.4	42.2	35.4
Forestry	67,280	28.0	45.8	26.7
Mining	59,195	24.6	48.4	26.9
Processing	334,875	25.4	43.2	31.5
Machining	240,945	19.2	49.2	32.0
Product Fabricating	634,260	20.9	48.0	31.0
Construction	568,420	18.6	48.3	33.1
Transport	338,400	17.0	51.0	31.9
Material Handling	205,860	33.6	39.1	27.4
Other Crafts	108,785	18.6	45.7	35.7
Not Elsewhere				
Classified	904,990	30.7	36.9	32.4
Total	8,540,085	25.3	42.3	32.3

In addition, older workers account for a disproportionately small share of profession and technical, forestry, mining and material handling occupations. While the implications of their under-representation in the last three areas may not be major, the situation is quite serious with regard to the first group of occupations. For within this group are several occupational specialties which either because of or in response to technological advances have become the leading areas of job proliferation in the Canadian labour market e.g., computer specialists, operations and systems analysts, electronics engineers, social scientists, health technicians, specialist teachers. Under the circumstances the slower influx of older workers into these areas could put the entire group at a major disadvantage in a structurally changing job market. This development is the more likely in view of the recent trends towards the application of electronics and more sophisticated technologies to traditional areas of concentration for older workers e.g., agrobusiness in agriculture; computerization of sales and service operations etc.

Older workers also tend to be over-represented in industries that are becoming less labour intensive such as those in the primary sector (agriculture, fishing etc.) or in industries currently characterized by relatively slow growth such as construction, transportation/utilities (Table 3). These sectors provided only 22.4 per cent of all employment in 1977 while absorbing 29.2 per cent of all older workers. In comparison, older workers tended to be slightly under-represented in the manufacturing, trade and service sectors which together accounted for 64.9 per cent of all employment and 62.8 per cent of the older workers (45+).

Table 4

Proportional Share of Industrial Sectors
for Component Age Groups, Canada 1977

	ALL (000)	Age Group		
		15-24	- % -	45+
Primary	711	23.5	38.7	38.0
Manufacturing	1,914	22.4	47.6	30.0
Construction	641	22.9	50.7	38.0
Trade	1,695	32.0	40.7	27.3
Transportation, Utilities	829	21.0	48.0	36.9
Finance, Insurance Real Estate	536	28.5	47.0	24.4
Service	2,720	25.3	47.9	26.8
Public Administration	707	20.9	47.7	31.0
Total	9,754	25.1	46.1	28.8

Source: Statistics Canada, Labour Force Survey.

The comparisons of older workers with younger colleagues in terms of educational attainment and occupational and industry concentrations show strong evidence of generational effects. Clearly for the young person of 30 or 40 years ago or even more recently, educational requirements were less demanding and the primary, construction and transportation sectors were the leading edge of the economy. One can expect that by the end of the century when the baby boom cohort is fully into the older segment of the labour force, the rapid drive in technology-induced change will continue to throw up new demands in education and training to meet novel lines of occupational development in which that cohort may have a disproportionately small share.

The impact of generational factors on job performance is not as clear cut since the latter involves continuously evolving learned behaviour. The U.S. Conference Board notes¹ that notwithstanding the fact that output per hour is highest in the 25-34 age group and tails off towards the 65+ group where it drops sharply, there is accompanying evidence of a broad spectrum of productivity levels within each of the age groups. There are also more marked differences in the hourly output among persons in the same age cohorts than there are across age cohorts. The board also cites evidence of higher levels of job accuracy for older workers compared to their younger colleagues and comparable attendance rates for both segments of the labour force. This evidence suggests that individual performance is a more valid guide than chronological age in appraising the ability of older workers to perform their jobs, especially as the proportion of jobs that make strenuous physical demands is on the decline. Using the former criterion would help to

1 United States, Conference Board, Older Workers and Retirement (Report No. 738 New York: 1978) pp. 14 ff.

counter some of the adjustment problems older workers face as a result of structural changes in the economy during the course of a generation.

B. LABOUR FORCE PARTICIPATION

Projections of the impact of current trends in fertility and mortality rates and in the rate of international migration indicate that population growth is likely to slow to replacement level or lower within a relatively short time. The annual rate of population increase has already declined significantly from 3.3 per cent in 1966-67 to 1.2 per cent in 1976-77. Official projections from Statistics Canada indicate a further drop to a value between 0.8 per cent (projection #1) and 0.4 per cent (projection #4) by the year 2001.

The slowing growth rate will have its most serious impact on the age structure of the Canadian population. Between now and 2001, the median age of the population will climb from 29 to 37 years. The proportion of young people aged 24 and under will decline dramatically from the 1977 value of 45 per cent to an estimated 36 per cent in 2001. Concurrently, the size of the older segment (45+) will increase from 28 to 36 per cent.

The consequences of these shifts for the working age population are evident in Table 5. Without any significant counterbalancing from subsequent cohorts, the effects of aging in the baby boom cohort will begin to be felt from the mid 80s onwards, as the older segment grows from 37 per cent in 1985 to 38 per cent by the year 1990.

Table 5

Working Age Population 1978-1990
by Age Group
- % -

Year	Age Group								Total
	15-19	20-24	25-34	35-44	45-54	55-64	65+	Total	
1978	13.4	12.6	21.7	15.2	14.1	11.5	11.5	17,381	
1979	13.2	12.7	21.9	15.3	13.8	11.5	11.6	17,719	
1980	12.8	12.7	22.3	15.5	13.5	11.5	11.7	18,039	
1981	12.3	12.7	22.5	15.8	13.3	11.5	11.8	18,327	
1982	11.7	12.7	22.6	16.4	13.1	11.6	11.9	18,596	
1983	11.1	12.6	22.7	17.0	12.9	11.7	12.0	18,838	
1984	10.5	12.4	22.9	17.5	12.8	11.7	12.2	19,070	
1985	10.0	12.2	23.2	17.9	12.7	11.6	12.4	19,317	
1986	9.7	11.7	23.4	18.3	12.7	11.6	12.6	19,560	
1987	9.5	11.2	23.6	18.6	12.8	11.4	12.8	19,774	
1988	9.3	10.6	23.7	19.1	12.9	11.4	13.0	19,983	
1989	9.1	10.1	23.7	19.4	13.2	11.3	13.2	20,180	
1990	8.9	9.7	23.5	19.9	13.5	11.1	13.4	20,385	

Of particular interest is the shift in the relative weight of component age groups in the older segment. While proportionally, the size of the 55-64 age group will remain stable through this period, a steady increase is anticipated for the 65+ age group such that by 1990, its share of the working age population will be equivalent to that for 45-54 age group. The latter group undergoes a period of decline until 1989.

The demographic pressures from this source segment of the population on the labour force are normally dissipated by the tapering-off of participation rates in the older segment. However, the data in Table 6 demonstrates a further qualitative shift; contrary to expectations, this segment's estimated share of the Canadian labour force in 1990 represents an actual shrinking by one per cent from the 1978 value of 27 per cent. Thus, according to available projections, the increase in the proportion of older workers in the working age population will have little effect on the labour force significance of this segment.²

The source of this "anomaly" is the continuing decline in participation rates expected of male workers in all component age groups of the working age population aged 45 years or more. According to the projections in Table 7, the most substantial decrease between 1978 and 1990 will occur among men in the 55-64 age group (4 per cent), undoubtedly an extension of the trend towards early retirement. Since the impetus towards early retirement itself sets up normative

2 This result is predicated on a continuing decline in participation for this group. Changes in regulations governing mandatory retirement ages and pension portability and growing inadequacy of retirement income may reverse this trend.

pressures for labour force withdrawal on the part of older persons, the corresponding three-percentage point decline in the participation rate for persons 65 years and older (the "retirement age" group) is hardly surprising.

In contrast, participation rates for women are expected to increase by 9 per cent in both the 45-54 and 55-64 age groups as women continue current patterns of more widespread career interest combined with labour force entry/re-entry as childrearing demands subside. Their impact will be particularly significant for the participation rates in the 45-54 age group and to a lesser extent, in the 55-64 age group. With regard to the 65 plus age group, the slight decline in the female participation rate reinforces the stronger decrease among men. The combined net result of these individual age patterns is that the considerable rise

Table 6

The Canadian Labour Force -
Historical and Projected Age Distributions
1975-1990

Age Group	1975	1978	1980	1985	1990
15-19	11.6	11.0	10.6	8.2	7.1
20-24	15.5	15.8	15.7	15.0	11.9
25-34	25.4	26.8	27.4	28.6	29.5
35-44	18.6	18.8	19.3	22.1	24.7
45-54	16.8	16.1	15.6	14.7	15.7
55-64	10.1	9.9	9.8	9.8	9.5
65 +	2.0	1.7	1.6	1.5	1.5
Total n (000)	9,974	10,877	11,442	12,664	13,562

Source: A. Roy, An Analysis of Labour Force Participation (Policy and Program Analysis, CEIC, Dec. 1979).

Table 7

Projected rates of Labour Force Participation, 1978 - 1990 -
Men, Women and Both Sexes

Age	Male Participation Rates to 1990				Female Participation Rates to 1990				Aggregate Participation Rates to 1990			
	1978	1980	1985	1990	1978	1980	1985	1990	1978	1980	1985	1990
15-19	54.8	55.8	57.3	56.7	48.0	49.2	50.0	50.0	51.5	52.6	53.6	53.4
20-24	85.8	85.1	84.0	83.3	70.3	72.5	77.9	80.6	78.1	78.6	80.9	81.9
25-34	95.6	95.3	94.7	94.2	59.0	61.3	67.1	72.4	77.2	78.2	80.8	83.3
35-44	96.0	95.9	95.7	95.5	58.3	61.2	66.3	70.1	77.2	78.6	81.0	83.2
45-54	92.9	92.7	92.3	91.9	51.0	53.6	59.2	63.9	71.9	73.1	75.7	77.8
55-64	76.6	75.6	74.2	72.9	32.8	34.3	38.1	41.3	53.7	53.9	54.8	56.5
65 +	15.1	14.6	13.6	12.3	4.5	4.4	4.2	4.2	9.2	8.8	8.2	7.6
TOTAL	77.0	77.8	78.2	77.8	47.8	49.6	53.4	55.7	62.6	63.4	65.6	66.5

Source:

CEIC projections extrapolating on the official Statistics Canada projections using the following assumptions:

- a) the Canadian economy will return to its longer run growth track by 1983;
- b) the school enrollment rate decreases to 1986 and stabilizes thereafter;
- c) service sector employment relative to the total population will continue to increase but at a slightly lower rate than during the recent historical period;
- d) no radical changes will occur in the legal retirement age (65 years) or in the unemployment insurance regulation from the 1971 regime;
- e) the variables concerning the affects of relative income and the presence of young children are determined by population projections; these latter indicate that the proportion of young children (4 years or younger) and the proportion of population aged 15-34 will diminish gradually over the projection period. See A. Roy, An Analysis of Labour Force Participation (Policy and Program Analysis, CEIC, Dec. 1979)

expected in female participation is not sufficient to offset the impact of decreasing participation among men 45 and older, especially in view of the general preponderance of the latter in the labour force.

The above trends in participation rates have major implications for retirement burden and labour force supply. First, certain societal developments are affecting the employability of persons aged 65 or more and their ability to maintain an adequate income level during retirement. For example, continued advances in the biomedical field and in environmental hygiene³, reorientation of public expenditures into areas where middle aged and older persons

3 Age-specific mortality rates for the older segment of the population illustrate the effects of developments in these fields.

Age-Specific Mortality Rates Canada 1975-1978

Age	1975	1976 (per 100,000 population)	1977	1978
40-49 years	438.2	428.3	426.7	393.2
50-54 "	678.5	657.4	665.7	663.9
55-59 "	1 068.2	1 038.1	1 022.5	1 007.5
60-64 "	1 644.0	1 607.6	1 591.5	1 568.5
65-69 "	2 541.8	2 440.4	2 402.8	2 366.4
70-74 "	3 853.5	3 773.6	3 720.4	3 603.3
75-79 "	5 868.4	5 837.8	5 627.2	5 504.5
80-84 "	9 397.5	9 303.8	8 904.7	8 794.9
85 + "	17 445.9	17 005.7	16 321.7	16 103.0

Source: Statistics Canada, Vital Statistics Vol. III Deaths, Stat. Can. No. 84-206.

are prime users⁴ and a lower overall dependency ratio⁵ will mean further increases in longevity for age cohorts and slower functional aging (i.e., loss of motor or mental abilities due to senescence). In other words, the impetus towards decreasing participation will mean a larger pool of mentally and physically competent individuals who must rely on private annuities and public income support programs to finance a gradually lengthening post-retirement period.

The projected decline in the overall dependency ratio (see footnote 5) implies that Canadian Society will be well able economically to support this increase in the dependency burden for persons over 65. However, the presumption is that there will be no qualitative change in the support demands from this group. This may prove unwarranted. The formation of the National Council of Aging as the national lobby and organizing arm of the "grey movement" in the United States has led not only to increased public concern and expenditure on retirement-age groups, but also to an insistence that the elderly be fully provided with the means to live an active, independent life.

Sustaining this style of existence may prove quite difficult for the retired and elderly. As the Special Senate Committee on Retirement Age Policies and other studies have indicated, most current pension plans are unable to yield the

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- 4 One example would be the decelerating increase in educational expenditures from an annual rate of 20 per cent in 1976-77 to less than 10 per cent in 1979-80 and the upward swing in per capita health expenditures from \$321 in 1971 to \$588 in 1976 and \$xxx in 1979.
 - 5 The total dependency ratio (youth 0-17 years and older persons 65+ to the working age population) is expected to decline from 66.69 in 1977 to 58.32 in 1991 and to 55.13 in 2001. The dependency ratio for the older segment will increase from 14.78 to 18.45 over the same period.

level of income and or the quality of income protection against inflation that would enable retirees to maintain a comfortable independent life during a period of retirement prolonged on the one hand by longevity and on the other by an increasing tendency to early retirement. Furthermore, the present levels of income support from government sources cannot make up the short-fall, even with recent revisions to the Old Age Security and Guaranteed Income Supplement Programs.⁶

This impasse may have major significance for labour force participation of this group. One method of resolving the problem would be for larger numbers of persons 65 years of age or older to develop new patterns of attachment to employment during the post-retirement period to supplement government and private pension incomes. Data from the 1977 Retirement Survey⁷ give some indication of the attractiveness of this option if the opportunities were available: 15 per cent of those who were forced to retire because of age would have preferred to retire later. Further, while 31 per cent of the retired men would have retired five years earlier

6 According to Retirement in Canada: Summary Report (Health and Welfare Canada, March 1977), 74 per cent of the active men who responded to a question on this subject and 61 per cent of the active women considered the then current level of OAS/GIS benefits (approx. \$400 per month per couple 65 years and older) inadequate for a satisfactory retirement life. Further, 47 per cent of these men and 36 per cent of these women quoted figures that were 75 to 100 per cent higher. In comparison, the OAS/GIS benefit level has been raised by only 52 per cent since 1977.

7 S. Coffin and J. Martin, Retirement in Canada: Vol. 1 - When and Why People Retire, (Ottawa: Policy Research and Long Range Planning (Welfare), Health and Welfare Canada, May 1977).

retired five years earlier than they did (given current living standards), and 55 per cent of the active male participants would retire early if given an adequate pension, over two-fifths in each case (42 per cent and 45 per cent respectively) would have taken a part-time job after retirement. Similar results were found for women.

Continued inflation and slowdown of the Canadian economy may therefore have the effect of raising the level of unemployment insofar as the retired and those faced with retirement may attempt to retain some form of labour force attachment past the transition point. Recent projections have indicated that by the last decade of this century the available supply of labour will be inadequate to meet the demands of a revitalized economy. Thus, opportunities for older people to continue varying degrees of attachment may become available.

This consideration should be taken into account in the elaboration of labour market policies and strategies, and further research should be initiated to determine how these could best be targetted to meet the needs of the older segment of the population.

C. UNEMPLOYMENT

The incidence of unemployment (as measured by the Labour Force Survey) is lowest among persons aged 45 and over. As Table 8 indicates, a sharp drop (in excess of 50 per cent) between the 15-24 and the 25-44 age groups continues into a more gentle decline within the older segment. This pattern is only minimally affected by year-to-year shifts in the levels of unemployment.

Despite the greater stability of employment demonstrated by the older segment, older workers are faced with a higher probability of remaining unemployed for a long period of time once they become unemployed. Between 1976 and 1979, the average duration of unemployment for youth and prime-age workers was 13 and 15 weeks respectively. For adults 45

Table 8

Annual Unemployment and Unemployment Rates by Age Group
Canada, 1975-1979

Age	Unemployment (in thousands)					Unemployment Rate				
	1975	1976	1977	1978	1979	1975	1976	1977	1978	1979
15-24	325	349	407	423	393	12.0	12.7	14.4	14.5	13.0
25-44	237	259	299	333	308	5.4	5.7	6.3	6.7	6.0
45 and over	127	119	144	155	138	4.4	4.1	4.9	5.1	4.5
45-54	75	72	87	93	83	4.5	4.2	5.1	5.3	4.7
55-64	43	43	53	58	51	4.3	4.2	5.1	5.5	4.6
65 +	10	4	4	5.0	2.2	2.0
TOTAL	690	727	850	911	838	6.9	7.1	8.1	8.4	7.5

Source: Statistics Canada, The Labour Force December 1979,
Stat. Can. No. 71-001; Labour Force Annual Averages 1975-78,
Stat. Can. No. 71-529.

years and over, the figure was 18 weeks. Since the average duration of unemployment for the total labour force was 13-15 weeks⁸ during the period under review, the older segment appears especially prone to experience unemployment of long duration.

This is evident in Table 9, which presents data on the proportions of each age group with 14 or more weeks of unemployment - essentially "long-term" unemployment. Yearly, the proportion of persons aged 45 and over experiencing

Table 9

Labour Force Participants Unemployed 14 Weeks or More^a
Age - Sex Groups, Canada 1976-1979

	Both Sexes			Males			Females		
	15-24	25-44	45+	15-24	25-44	45+	15-24	25-44	45+
1976	30.1	37.7	42.5	30.4	38.5	43.3	29.7	36.8	41.3
1977	32.3	38.0	44.2	32.0	38.4	45.1	32.7	37.5	42.6
1978	33.7	40.6	47.7	33.5	39.9	50.0	33.7	41.1	45.8
1979	30.6	38.9	44.7	30.7	39.9	46.2	30.8	37.8	42.6

Source: Statistics Canada, The Labour Force December 1979;
Labour Force Annual Averages 1975-1978

a Excludes persons with a job to start within 4 weeks of reference weeks who had not actively sought work in the past 4 weeks but who were available for work in the reference week.

8 In their May 1977 paper (The Flows Components of Unemployment in Canada), Neil McIlveen and Harvey Sims derived the following estimates for 1973 from the Annual Work Patterns Survey data: 14.5 weeks for the total labour force; 20.0 weeks for single persons aged 45 or more versus 12.8 weeks for those 14-24 years of age. No dramatic changes have been recorded in the flow components since 1973. The estimate therefore remains a reasonable approximation of the present situation.

long-term unemployment exceeds that for the 25-44 and the 15-24 age groups by 6 and 13 per cent respectively. This order of magnitude generally holds true at the subgroup level, with men demonstrating larger age group differences than women.

The severity of long-term unemployment among older workers is indicated in Table 10 which presents data on the post-claim employment status of 1976 unemployment insurance claimants. According to a survey conducted 6 months after their claim was terminated, a substantially higher proportion of young people under 25 years of age than of persons 45 and over had found work within 6 months of claim exhaustion. The majority of claimants in the 45+ group (58 per cent) had failed to secure new jobs readily after claims were terminated compared to minorities in the two other age groups. In fact the data indicate a diminishing ability to secure a new job as one moves from younger to older age groups.

Table 10

**Post-Claim Behaviour of 1976 Exhaustees
Per Cent of Exhaustees Who Found Work Within
6 Months of Claim Exhaustion**

Age	Males (%)	Females (%)
Under 20	64.6	54.1
20-24	58.0	41.0
25-44	51.2	44.3
45-64	41.8	41.8

Further comparisons of the age categories were undertaken in order to determine whether any specific differences in group characteristics were associated with the higher incidence of long-term unemployment among older workers and further, to assess whether such unemployment is associated with greater economic hardships. The analysis is based on special tabulations from April 1977 Labour Force Survey data⁹ and from the 1977 survey of UI claimants 6 months after their claim ended.

Given the strong relationship between educational attainment and successful labour force participation, it is not surprising to find in Table 11 that the higher the level of educational attainment, the lower the incidence of long-term unemployment. Two other notable features are the close similarity of the distributions for the 20-24 and the 25-44 age groups and the fact that the situation of older workers vis-à-vis long-term unemployment is considerably worse than that of the 20-24 and 25-44 age groups. What is surprising is that older workers compare poorly even where the level of education is high (some post-secondary; post-secondary and university graduation).

9 These tabulations appear in the CEIC paper Long Term Adult Unemployment: Some Possible Problems and Policy Implications (Ottawa: CEIC Policy and Program Analysis, March 1978).

Table 11

Percentage of Unemployed Without Work for 14 Weeks or More
in Each Age and Educational Attainment Category, Canada

Age 20-24	None or Elementary	High School	Some Post- Secondary	Post-Secondary University Graduation
20-24	48	42	34	31
25-44	47	44	31	34
45-64	55	52	38	36

Source: Statistics Canada, Labour Force Survey, April 1977,
tabulations from micro-data tape.

Even though the level of educational attainment among the older adult population is generally lower, the above findings suggest that older workers are at a special disadvantage that is unrelated to their educational background. A similar conclusion is indicated by the occupational data in Table 12. In all occupations except fabrication and clerical, the majority of unemployed older workers reported unemployment duration of 14 weeks or more. In contrast, the proportions of long-term unemployed exceed 50 per cent for younger age groups in any occupations except the clerical category in the case of 25-44 age group.

Table 12

Percentage of Unemployed Without Work for 14 Weeks or More
in Each Age Group and Occupation Category

Age	Mang. &	Cleri-	Sales	Ser-	Pri-	Mining	Fabri-	Construc-	Transp.
	Prof.	cal		vices	mary	Proces., etc.	cation	tion	etc.
20-24	30	44	37	34	43	40	40	48	47
25-44	39	31	41	51	45	46	45	47	46
45-64	52	49	63	52	52	62	41	51	57

Source: Statistics Canada, Labour Force Survey, April 1977,
tabulations from micro-data tape.

Data on family position indicate that the older workers (45+) are more likely than those under 45 to face economic hardships from long-term joblessness. As Table 13 shows, the proportion of unemployed household heads who are jobless for 14 weeks and more is much greater for both of the adult age groups, but especially for adults aged 45-64. Furthermore, since the absolute number of household heads is relatively greater in the adult than in the youth group, a very large percentage of the total number of long-term unemployed adults 45-64 are heads of households (59 per cent). In comparison only 26 per cent of unemployed youth were household heads.

Table 13

Percentage of Unemployed for Each Family Relation and Age Group Who Were Without Work for 14 Weeks or More

Age	Head	Spouse	Other
20-24	32	44	44
25-44	41	40	56
45-64	52	52	56

Source: Statistics Canada, Labour Force Survey, April 1977, tabulations from micro-data tape.

Insofar as such a large proportion of the adult long-term unemployed are household heads, who are likely to be main family bread-winners with dependents to support, there is a presumption that this group, more than others, faces hardships from long-duration joblessness. An examination of the yearly income level (before deductions) of the family to which the unemployed individuals belonged provides more direct evidence of hardship from long-term unemployment. Table 14 shows that for persons on claims of long duration, 52 per cent of those in the 15-24 age group were in the group with family incomes of less than \$13,000 a year. The percentage drops to 42 for adults aged 25-44 but rises sharply again for older adults in the 45-64 age group to 56 per cent. Given that older workers are mostly heads of households, the fact that the majority of them have incomes below \$13,000 (which would have entitled them to low UI benefit rates) clearly indicates that the financial hardship from long-term unemployment is greater for older workers.¹⁰

¹⁰ It should be noted that older-worker families are more likely to have working children. This may reduce the level of support to dependents and thus the economic hardship that such families face.

Table 14

Per Cent Distribution by Family Income
Level of Persons on UI Claim for
Less Than 13 and More Than 14 Weeks
by Major Age Group

Age group and duration of claim	Income less than \$13,000	Income greater than \$13,000	Total
	(per cent)	(per cent)	
<u>Age 15-24</u>			
Less than 13 weeks	40	60	100
More than 14 weeks	52	48	100
<u>Age 25-44</u>			
Less than 13 weeks	37	63	100
More than 14 weeks	42	58	100
<u>Age 45-64</u>			
Less than 13 weeks	47	53	100
More than 14 weeks	56	44	100

Source: CEIC, Survey of Unemployment Insurance Claimants Six Months After Their Claims Ended (Ottawa: Policy and Program Analysis, July 1978).

Thus while unemployment rates for older workers are lowest across age groups, those who do become unemployed are likely to face a long spell of unemployment and, by virtue of their family position and income levels, serious economic hardship. Long-term unemployment itself contributes to

economic difficulties; as recent Canadian and U.S. research into the hard-core unemployed has indicated, the perceived employability and actual re-employment of the unemployed are adversely affected by the length of time he/she stays unemployed. Unemployed older workers are very much at risk here.¹¹

11 It should be noted that the actual extent of joblessness among older workers may not be fully captured by official unemployment rates. Lengthy and fruitless job search may lead to withdrawal from the labour force, a type of worker discouragement that is somewhat more prevalent among older workers. Data from the 1979 Special LFS study (Persons not in the Labour Force: Job Search Activities and Desire for Employment) indicate 30 per cent of the working population falling into this category and older persons having a higher proportion of discouraged workers (33 per cent) than persons 15-24 years of age (28 per cent) and those 25-44 (31 per cent).

D. RECRUITMENT TO EMPLOYMENT

The crux of the problem for older workers in the recruitment process is that they are likely to compete for jobs in sectors where there is labour saturation or where a mismatch or short-fall between their range of skills and competence and the demands of the industry are likely. This difficulty arises in part from their concentration in weaker sectors of the economy to which little entrepreneurial attention is given. Outside these arenas, older workers are faced with a competitive disadvantage vis-à-vis their younger counterparts partly because of their more limited educational backgrounds. Further, these arenas are generally high-growth sectors characterized by organizational flux and instabilities which older workers are likely to find more stressful if not impossible to accommodate.

Even where the organizational matrix poses no problems, prospective employers normally recruit with reference to their organizational goals as well as their own preconceived notions of the capabilities of older workers. Thus, they tend to weigh the potential contribution of the older worker against the estimated years of service, given the strong possibility of early retirement; against his/her flexibility with regard to geographic and occupational mobility; against the difficulties his/her recruitment would raise with seniority relationships; against the relatively higher income package the older worker's career experience warrants; and against other extraneous factors such as preserving a dynamic organizational image through a youthful age profile.

The attitudes and behaviour of older workers themselves also hinder their easy reabsorption into the work force. The fact that job severance for this group is mainly involuntary and follows long tenure raises particular problems of a

psychological and practical nature. Worker disorientation, loss of moral and motivation and premature labour force withdrawal are not uncommon. Since most of these workers have had no contact with the recruitment process for a considerable length of time, they are unfamiliar with and perform poorly in the various mechanisms. The result is usually a loss of self-esteem.

This section explores two of the major factors that constrain older workers in the recruitment process and for which CEIC has developed remedial measures.

Training

Table 15 presents training data for 1969-77 for the Canada Manpower Training Program (CMTP) and the Canada Manpower Industrial Training Program (CMITP). Both CMTP and CMITP were originally intended to facilitate career development for the adult population; this is one of the principal objectives of the Adult Occupational Training Act (AOTA) from which they derive. As the data in Table 15 show, there has been a steady decline in the proportion of older workers who start full-time CMTP training each year, from 11 per cent in 1970 to 7 per cent in 1975. Since, as was noted earlier, employment stability is high in this age group, the decline is largely associated with the declining proportion of the labour force comprised by older workers during that period (31 per cent in 1970; 29 per cent in 1975).

Table 15

Canada Manpower Training Program
Institutional Full-Time Trainees Started
By Age Group,
Canada
1969-70 to 1976-77
(per cent distribution)

Group	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
15 and under	7.6	6.0	9.0	11.1	12.3	13.2	14.1	12.5
16-19	34.6	33.6	33.8	33.1	34.4	37.2	37.6	40.0
20-24	47.2	48.4	46.2	44.1	42.6	41.0	41.0	41.0
25-29	10.6	12.0	11.0	11.7	10.7	8.6	7.3	6.5

Source: Employment and Immigration Canada Annual Statistical Bulletin 1977-78, CMTP.

Clearly, older workers have as much interest in retraining and in career reorientation as their younger colleagues. In fact, program personnel and chairmen of the Manpower Consultative Service committees established under CEIC auspices to deal with company layoffs argue that there is an increasing responsiveness among older workers to training opportunities which they see as a means to facilitate re-employment. Further pressure comes from the steady influx of women into the labour force since the mid sixties. A large proportion of these workers are returning after a period of withdrawal for child rearing. Consequently, they are likely to fall in or near the older age group as well as to have experienced some atrophying or obsolescence of skills.

The increased rate of re-entry among women and structural dislocation in the economy during the 1980s mean that older workers are very much in need of those initiatives that were intended to enable them to adjust to the changing labour market. However, not only is there a limited number of programs; the greater weight of young people in the program coverage may hinder the development of pedagogical methods in the training area that would take into account the difference in learning patterns between younger and older workers. As a recent U.S. evaluation of policy-related research on programs to assist mid-life career reorientation has indicated, adults over 40 have more difficulty than younger people in learning new tasks when current standard methods are used. Their difficulty is greater if they have a low level of educational attainment; have been performing routine tasks; cannot see the practical relevance of what they are asked to learn; are in a situation marked by frequent distraction; already have considerable experience in the particular training field, which while invaluable may also demand a great deal of unlearning; or have to rely on note memorization as a learning technique.¹² Further, both the Canadian and U.S. studies note that most older trainees prefer to be separated from younger students.

From the foregoing, it seems unlikely that existing government-sponsored programs cater adequately to special training (including pedagogical) needs that would maximize the effectiveness of any training for this group. A more precise targetting of these programs or their components would be a start towards improving the situtation. Some

12 A. Pascal et al. An Evaluation of Policy Related Research on Programs for Mid-Life Career Redirection: Vol. II - Major Findings (Santa Monica, California: Rand Corp., Feb. 1975).

efforts have been made in recent months with the assignment of a higher priority of the training of women for non-traditional occupations. More research into these dimensions of training for older workers is definitely required for policy making. In the interim, training remains a major stumbling block for older workers who need to improve their skill levels and thereby their attractiveness to prospective employers.

Geographic and Occupational Mobility

The differences in geographical mobility between the older and younger segments of the working age population presented in Table 16, furnish another clue to recruitment difficulties faced by older workers. Not surprisingly, in view of the strong relationship between migration decisions and the stage reached in the individual/family life cycle, migration is more heavily concentrated in the years of young adulthood, mainly 20-34. Changes in residence between 1966 and 1971 were reported by 65 per cent of this group. This figure was well above the value of 44 per cent for the entire population. In contrast, persons aged 45 and over showed the lowest levels of geographical mobility - only 31 and 30 per cent in the 45-64 and 65+ groups had moved during the reference period.

The range of the move is important insofar as older workers reportedly show greater reluctance to move great distances away from social networks developed over many years. This is clearly the case in Table 16 where 62 and 66 per cent of the 45-64 and 65+ age groups confined themselves to intramunicipal moves compared to values of 50, 53 and 55 per cent for the 20-24, 25-34 and 35-44 age groups respectively. Interprovincial moves were even rarer among persons 45-64 and 65+ compared to component age groups in the 20-34 age bracket.

Table 16

Migration Status Distribution, Persons Aged 5 Years
and Over in 1971 and Residing in Canada on
June 1, 1966, by Age, Canada, 1966-1971

Sex and Age	Total ²	Non-migrants		Intermunicipal migrants ¹		
		Non-movers	Intra-municipal movers	Total	From same province	From different province
(per cent)						
Both sexes	100.0	55.7	24.8	19.4	14.9	4.6
5-14 years	100.0	56.6	24.2	19.2	14.6	4.7
15-19 years	100.0	64.7	19.2	16.1	12.4	3.7
20-24 years	100.0	35.0	32.2	32.8	25.1	7.8
25-29 years	100.0	22.6	41.0	36.4	27.6	8.8
30-34 years	100.0	37.2	34.6	28.2	21.2	7.0
35-44 years	100.0	56.7	24.9	18.4	13.8	4.6
45-64 years	100.0	69.5	19.0	11.6	9.0	2.5
65 years and over	10.0	70.3	19.5	10.3	8.5	1.7

¹ Intermunicipal migrants exclude persons with place of residence on June 1966 not stated.

² Percentages may not add to the total due to rounding error.

Source: Statistics Canada, Migration in Canada, Profile Studies 1971 Census, Catalogue No. 99-705, Vol. V - Part 1, Table 2.

Data on occupational mobility is relatively scant. A rather dated Labour Force Survey of persons formerly unemployed (Return to Work After Unemployment Nov. 1971) confirms the expectation that adults over 25 were more likely than younger persons to return to the same occupation and type of job within that occupation. Other indications of the greater job and occupational stability among older workers come from data on self-reported reasons for unemployment among UI claimants. As can be seen in Table 17, involuntary unemployment was much more common among older workers on claim (84 per cent) than among prime-age (78 per cent) or younger workers (72 per cent)¹³. In each case, the bulk of this type of unemployment involved temporary layoffs which once again, older workers were more likely to experience than the other age groups.

13 The statistics for UI claimants may over-estimate the rate of involuntary unemployment among young workers 15-25. The typically high job turnover rates and short average unemployment duration for this group imply that many of the involuntary unemployed may never make use of the UI system. In contrast, the long unemployment duration common to older workers suggests that most will wind up as claimants (if they do not withdraw from the labour force first).

Table 17

Self-Reported Reasons for Unemployment by Age

	15-25	25-44	45-64	Total
Involuntary				
Temporary layoff	28.3	37.8	45.6	35.9
Permanent layoff	11.9	6.8	9.0	9.2
Term appointment/ Closure	14.2	14.7	13.1	14.2
Discharged	2.2	1.3	0.8	1.6
Retirement (early)	-	-	8.3	8.3
Family reasons	9.0	15.9	1.3	10.3
Illness	1.5	1.4	6.1	2.4
Voluntary				
Retraining/return to school	4.9	0.5	0.0	2.0
Quits due to poor working conditions	22.3	15.4	13.2	17.6
Found other job	2.7	2.3	1.2	2.2
Other	3.0	3.9	1.4	4.6
Total	100.0	100.0	100.0	100.0

Source: CEIC, Survey of Unemployment Insurance Claimants Six Months After Their Claims Ended, (Ottawa: CEIC, Policy and Program Analysis July 1978).

E. SOME ECONOMIC IMPLICATIONS OF THE LABOUR FORCE POSITION OF OLDER WORKERS

The preceding analysis examined certain basic characteristics and trends pertaining to the older segments of the working population. Comparisons with other age groups in the population reveal a population segment characterized by:

- a) high employment stability stemming from infrequent job turnover;
- b) low unemployment rates but a greater tendency to long-term unemployment, worker discouragement and labour force withdrawal once unemployed;
- c) low geographic and occupational mobility;
- d) lower rates of retraining;
- e) lower and historically declining rates of labour force participation

Current trends envisage a substantial increase in this segment's share of the population of working age by the end of the century. In addition, members will enjoy greater longevity and better physical health and will thus have the potential to contribute to economic productivity for a much longer period beyond normal retirement age. Should the present rate of early retirement continue to rise, it seems likely that Canada will be faced with a steadily growing number of adult dependents with demands for adequate pensions to meet the income erosion from inflation and to satisfy their right to an independent existence. This may put an enormous strain on the economy in two ways. First, the age cohorts following the baby boom are much smaller; thus the ratio of the adult dependents to the working age population

will be higher and the economic burden (in terms of higher medical care costs, etc.) will be greater. This burden may well be increased further if government and private sector response to structural unemployment during the next decade is inadequate enough to cause older members of this segment to take advantage of early retirement provisions.

The second consideration relates to the availability of skilled manpower that is essential to maintaining and improving productivity. The indication from several surveys of key industries¹⁴ (manufacturing, construction, etc.) is that Canada is facing serious shortages in critical skills and that this imbalance in labour supply and demand is likely to increase dramatically in the near future without major initiatives in the area of training and apprenticeship. The Critical Trades Skills Training program recently launched by CEIC is one response to this assessment. Alternatively, it has been argued that the exodus of skilled tradesmen from the labour force will actually facilitate the application of electronic technologies (computers, robotics) to these areas of production. As a result, there may be no "labour shortage" of any major significance in the critical skills trades. This, however, does not get rid of the productivity problems involved in a technological shift of this magnitude.

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- 14 a) Robertson-Nickerson Group Associates Ltd., Higher Skill Training Analysis of the Construction Industry (Ottawa: January 1979).
- b) Robertson-Nickerson Group Associates Ltd., Case Studies of Higher Level Blue Collar Workers in Manufacturing (Ottawa: March 1977).
- c) Noah Meltz, An Economic Analysis of Labour Shortages: The Case of Tool- and Die-Makers in Ontario - Summary (Progress Report to Ontario Economic Council, April 29, 1980).
- d) CEIC, Supply - Demand Imbalances in Higher Skill Trades 1974-85 (Ottawa: June, 1980).

Thus, the effective management of anticipated labour shortages and the dependency burden over the next few decades will require employment strategies that slow down the withdrawal of older workers from areas of highest productivity and growth in the economy or prevent the total loss of such vital skills and expertise in the post-retirement period by facilitating employment (on a part-time or alternative work arrangement) for retirees. The size of the labour pool, which demographic trends indicate will be constituted by both active and retired workers, demands that the economy make more productive use of the considerable knowledge and experience of retired workers in promoting economic growth and better standards of living for all Canadians.



